Form 3160-3
(August 1999)

RECEIVED
2003 SEP 12 AM 10 52
070 Farmington, NM

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANGEMENT
APPLICATION OFOR PERMIT TO DRILL OR REENETER

5. Lease Serial No. SF -~~078096~~ 078051

6. If Indian, Allottee or tribe Name

1a. Type of Work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No

1b. Type of Well: [ ] Oil Well [X] Gas Well Gas [ ] Other [ ] Single Zone [X] Multiple Zone

8. Lease Name and Well No.
~~Nell~~ Com 2M
Neal

2. Name of Operator
BP America Production Company Attn: Mary Corley

9. API Well No.
30-045-31890

3a. Address
P.O. Box 3092 Houston, Texas 77253

3b. Phone No. (*include area code*)
281-366-4491

10. Field and Pool, or Exploratory
Basin Dakota & Blanco Mesaverde

4. Loction of Well (*Report location clearly and in accordance with any State requirements.**)
At surface 2656 FNL 1740 ~~2645 FSL~~ & ~~1735~~ FEL
At proposed prod. Zone

11. Sec., T., R., M., or Blk, and survey or Area
G Sec. 14, T31N, R11W

14. Distance in miles and direction from nearest town or post office*
7 miles from Aztec, NM

12. County or Parish
San Juan

13. State
New Mexico

15. Distance from proposed* Location to nearest Property or lease line, ft. (Also to nearest drig. Ujnit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
1000	320	320 E/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
905'	7230'	WY2924
21. Elevations (show whether DF, KDB., RT, GL, etc.	**22. Approximate date work will start***	**23. Estimated duration**
5920' GL	November 1, 2003	7 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the suthorized officer.

25. Signature	Name (*Printed/typed*)	Date
Mary Corley	Mary Corley	09/11/2003
Title: Senior Regulatory Analyst		
Approved by (Signature) /s/ David J. Mankiewicz	Name (*Printed/Typed*)	Date DEC - 4 2003
Title	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct Operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

NMOCD

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-31890	71599 & 72319	Basin Dakota & Blanco Mesaverde

[4] Property Code	[5] Property Name	[6] Well Number
000920	Neal Com	2M

[7] OGRID No.	[8] Operator Name	[9] Elevation
000778	BP America Production Company	5920 GL

[10] Surface Location

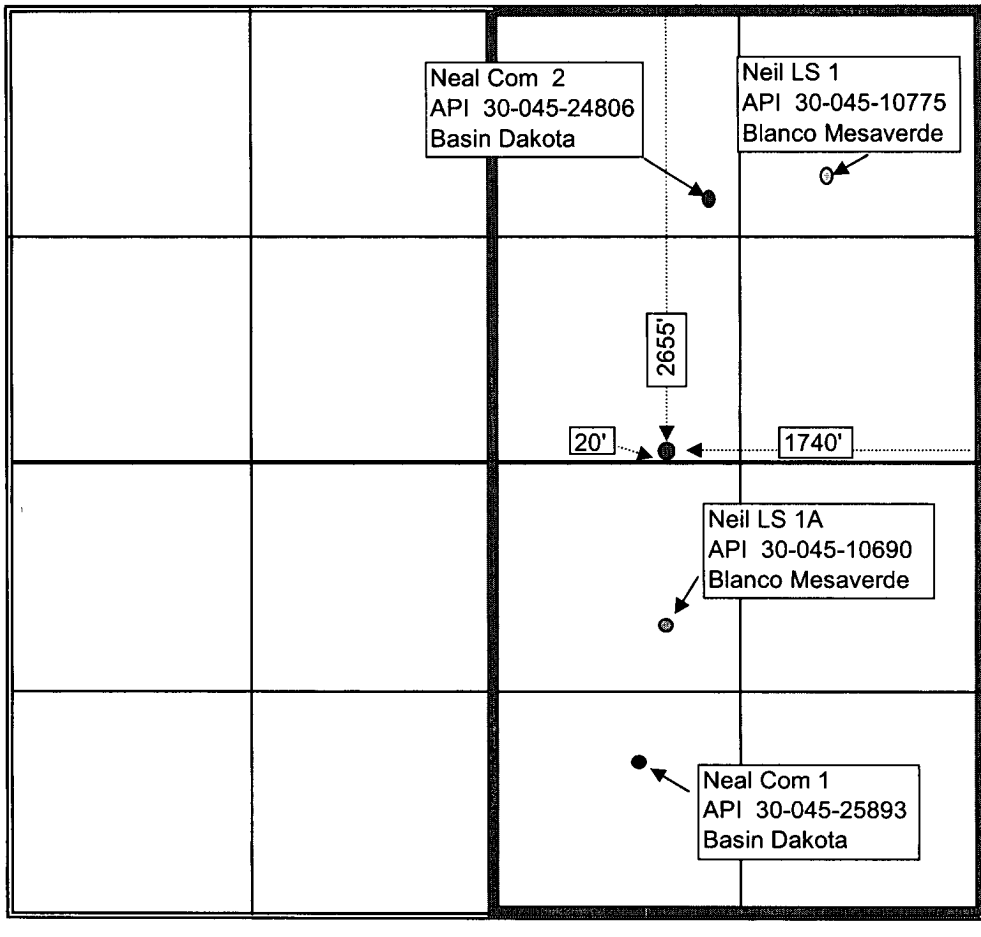
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
Unit G	14	31N	11W		2655	North		East	San Juan

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mary Corley

Signature

Mary Corley

Printed Name

Sr. Regulatory Analyst

Title

11/03/2003

Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Revised 10/10/2003

Date of Survey

Signature and Seal of Professional Surveyor:

Gary D Vann 7016

Certificate Number

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMSF078051

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM76222

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
NEAL COM 2M

2. Name of Operator
BP AMERICA PRODUCTION CO
Contact: MARY CORLEY
E-Mail: corleyml@bp.com

9. API Well No.
30-045-31890-00-X1

3a. Address
P. O. BOX 3092
HOUSTON, TX 77253

3b. Phone No. (include area code)
Ph: 281.366.4491
Fx: 281.366.0700

10. Field and Pool, or Exploratory
BASIN DAKOTA
BLANCO MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 14 T31N R11W NWSE 2645FSL 1735FEL

11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

APD submitted 09/11/2003.

Please note the following change in the location for the subject well:

Change location from: 2645' FSL & 1735' FEL Section 14, T31N, R11W
to: 2655' FNL & 1740' FEL Section 14, T31N, R11W

Attached please find corrected Form C-102 and amended Drilling, Completion, and Cementing Procedures.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #24758 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO, sent to the Farmington
Committed to AFMSS for processing by ADRIENNE GARCIA on 12/04/2003 (04AXG1815SE)

Name *(Printed/Typed)* MARY CORLEY — Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) — Date 11/05/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **/s/ David J. Mankiewicz** — Title — Date DEC - 4 2003

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. — Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM

Prospect Name: Neal Com
Lease: Neal
County: San Juan
State: New Mexico
Date: July 31, 2003
Rev 10/20/03

Well No: 2M
Surface Location: 14-31N-11W, 2655 FNL, 1740 FEL
Field: Blanco Mesaverde/Basin Dakota

OBJECTIVE: Drill 220' below the top of the Two Wells; set 41/2" production casing. Drill out 110' below the 4 ½" casing shoe, open-hole test and stimulate as required Burro Canyon (DK) interval. Stimulate CH, MF, PL and DK intervals

METHOD OF DRILLING

TYPE OF TOOLS	DEPTH OF DRILLING
Rotary	0 - TD

LOG PROGRAM

TYPE	DEPTH INVERAL
OPEN HOLE	
GR-IND-DEN	7210-TD
CASED HOLE	
GR-CCL-TDT	TDT – TD to 7" shoe
CBL	Identify 4 ½" cement top

REMARKS:
- Please report any flares (magnitude & duration).

APPROXIMATE DEPTHS OF GEOLOGICAL MARKER

Estimated GL: 5920 Estimated KB: 5934

MARKER		SUBSEA	MD.
Ojo Alamo		5008'	926'
Kirkland		4906'	1028'
Fruitland		3964'	1970'
Fruitland Coal	*	3681'	2253'
Pictured Cliffs	*	3346'	2589'
Lewis Shale	#	3184'	2750'
Cliff House	#	1842'	4092'
Menefee Shale	#	1499'	4435'
Point Lookout	#	1047'	4888'
Mancos		769'	5165'
Greenhorn		-955'	6889'
Bentonite Marker		-999'	6933'
Two Wells	#	-1056'	6990'
Paguate	#	-1145'	7079'
Cubero Upper	#	-1176'	7110'
Cubero Lower	#	-1197'	7131'
Encinal Canyon	#	-1231'	7165'
Burro Canyon	#	-1286'	7220'
TOTAL DEPTH		-1386'	7320'

Probable completion interval * Possible Pay

SPECIAL TESTS

TYPE
None

REMARKS:

DRILL CUTTING SAMPLES

FREQUENCY	DEPTH
10'	2850' -TD

DRILLING TIME

FREQUENCY	DEPTH
Geolograph	0-TD

MUD PROGRAM:

Approx. Interval			Type Mud	Weight, #/ga	Vis, sec/qt	W/L cc's/30 min	Other Specification
0	- 120		Spud	8.6-9.2			
120	- 2850	(1)	Water/LSND	8.6-9.2		<6	
2850	- 7210		Gas/Air/N2/Mist	Volume sufficient to maintain a stable and clean wellbore			
7210	- 7320	(4)	Gas/Air/N2/Mist	Volume sufficient to maintain a stable and clean wellbore			

REMARKS:
(1) The hole will require sweeps to keep unloaded while fresh water drilling. Let hole conditions dictate frequency.

CASING PROGRAM: (Normally, tubular goods allocation letter specifies casing sizes to be used. Hole sizes will be governed by Contract)

Casing String	Estimated Depth	Casing Size	Grade	Weight	Hole Size	Landing Pt, Cmt, Etc.
Surface/Conductor	120	9 5/8"	H-40 ST&C	32#	13.5"	1
Intermediate 1	2850	7"	J/K-55 ST&C	20#	8.75"	1,2
Production	7210	4 1/2"	J-55	11.6#	6.25"	3

REMARKS:
(1) Circulate Cement to Surface
(2) Set casing 100' into Lewis Shale
(3) Bring cement 100' above 7" shoe
(4) Drill lower Dakota section with Gas/Air/N2/Mist; open hole completion below 41/2" casing shoe

CORING PROGRAM:
None

COMPLETION PROGRAM:
Rigless, 3-4 Stage Limited Entry Hydraulic Frac

GENERAL REMARKS:
Notify BLM/NMOCD 24 hours prior to Spud; BOP testing, and Casing and Cementing.

Form 46 Reviewed by: Logging program reviewed by: N/A

PREPARED BY: **APPROVED:** **DATE:**

BP America Production Company
BOP Pressure Testing Requirements

Well Name: Neil Com 2M
County: San Juan **State:** New Mexico

Formation	MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	926		
Fruitland Coal	2253		
PC	2589		
Lewis Shale	2750		
Cliff House	4092	500	0
Menefee Shale	4435		
Point Lookout	4888	600	0
Mancos	5165		
Dakota	6990	2600	1449

** Note: Determined using the following formula: ABHP – (.22*TVD) = ASP

Requested BOP Pressure Test Exception: 1500 psi

SAN JUAN BASIN
Dakota Formation
Pressure Control Equipment

Background

The objective Dakota formation maximum surface pressure is anticipated to be less than 1000 psi, based on shut-in surface pressures from adjacent wells. Pressure control equipment working pressure minimum requirements are therefore 2000 psi. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 psi system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 psi rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rights to be utilized have substructure height limitations which exclude the use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below conductor to total depth in the Basin Dakota. No abnormal temperature, pressure, or H2S anticipated.

Equipment Specification

Interval	BOP Equipment
Below conductor casing to total depth	11" nominal or 7 1/16",3000 psi double ram preventer with rotating head.

All ram type preventers and related control equipment will be hydraulically tested to 250 psi (low pressure) and 2000 psi (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include kelly cock, upper kelly cock with a handle available, floor safety valves and choke manifold which will also be tested to equivalent pressure.

Cementing Program

Well Name:	Neil Com 2M	Field:	Blanco Mesaverde / Basin Dakota
Location:	14-31N-11W, 2655 FNL, 1740 FEL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	Blanco Mesaverde/Basin Dakota
		KB Elev (est)	5934
		GL Elev. (est)	5920

Casing Program:

Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Thread	TOC (ft.)	Stage Tool Or TOL (ft.)	Cmt Cir. Out (bbl.)
Surface	120	13.5	9.625	ST&C	Surface	NA	
Intermediate	2859	8.75	7	LT&C	Surface	NA	
Production -	7230	6.25	4.5	ST&C	2759	NA	

Casing Properties: (No Safety Factor Included)

Casing String	Size (in.)	Weight (lb/ft)	Grade	Burst (psi.)	Collapse (psi.)	Joint St. (1000 lbs.)	Capacity (bbl/ft.)	Drift (in.)
Surface	9.625	32	H-40	3370	1400	254	0.0787	8.845
Intermediate	7	20	K-55	3740	2270	234	0.0405	6.456
Production -	4.5	11.6	J-55	5350	4960	154	0.0155	3.875

Mud Program

Apx. Interval (ft.)	Mud Type	Mud Weight
0 - SCP	Water/Spud	8.6-9.2
SCP - ICP	Water/LSND	8.6-9.2
ICP - ICP2	Gas/Air Mist	NA
ICP2 - TD	LSND	8.6 - 9.2

Recommended Mud Properties Prio Cementing:

PV	<20
YP	<10
Fluid Loss	<15

Cementing Program:

	Surface	Intermediate	Production
Excess %, Lead	100	75	40
Excess %, Tail	NA	0	40
BHST (est deg. F)	75	120	183
Special Instructions	1,6,7	1,6,8	2,4,6

1. Do not wash pumps and lines.
2. Wash pumps and lines.
3. Reverse out
4. Run Blend Test on Cement
5. Record Rate, Pressure, and Density on 3.5" disk
6. Confirm densitometer with pressurized mud scales
7. 1" cement to surface if cement is not circulated.
8. If cement is not circulated to surface, run temp. survey 10-12 hr. after landing plug.

Notes:

*Do not wash up on top of plug. Wash lines before displacing production cement job to minmize drillout.

Surface:

Preflush	20 bbl.	FreshWater	
Slurry 1	110 sx Class G Cement		117 cuft
TOC@Surface	+ 3% CaCl2 (accelerator)		
	+ 0.25 #/sk Cellophane Flake (lost circulation additive)		0.4887 cuft/ft OH

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	15.8	1.16	4.95

Casing Equipment:

9-5/8", 8R, ST&C
1 Guide Shoe
1 Top Wooden Plug
1 Autofill insert float valve
Centralizers, 1 per joint except top joint
1 Stop Ring
1 Thread Lock Compound

Cementing Program

Intermediate:

	Fresh Water	20 bbl	fresh water	
	Lead	240	sx Class "G" Cement	610 cuft
	Slurry 1		+ 3% D79 extender	
	TOC@Surface		+1/4 #/sk. Cellophane Flake	
			+ 5 lb/sk Gilsonite	
	Tail	60	sx 50/50 Class "G"/Poz	75 cuft
	Slurry 2		+ 2% gel (extender)	
	500 ft fill		+1/4 #/sk. Cellophane Flake	0.1503 cuft/ft OH
			+ 2% CaCl2 (accelerator)	0.1746 cuft/ft csg ann
			+ 5 lb/sk Gilsonite	

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	11.4	2.63	15.8
Slurry 2	13.5	1.27	5.72

Casing Equipment: 7", 8R, ST&C

1 Float Shoe (autofill with minimal LCM in mud)
1 Float Collar (autofill with minimal LCM in mud)
1 Stop Ring
Centralizers one in middle of first joint, then every third collar
1 Top Rubber Plug
1 Thread Lock Compound

Production:

	Fresh Water	10 bbl	CW100	
	Lead	190	LiteCrete D961 / D124 / D154	469 cuft
	Slurry 1		+ 0.03 gps D47 antifoam	
	TOC, 400' above 7" shoe		+ 0.5% D112 fluid loss	
			+ 0.11% D65 TIC	
	Tail	160	sx 50/50 Class "G"/Poz	225 cuft
	Slurry 2		+ 5% D20 gel (extender)	
	1565 ft fill		+ 0.1% D46 antifoam	
			+ 1/4 #/sk. Cellophane Flake	
			+ 0.25% D167 Fluid Loss	
			+ 5 lb/sk Gilsonite	
			+0.1% d800, retarder	
			+0.15% D65, dispersant	
				0.1026 cuft/ft OH

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)	0.1169 cuft/ft csg ann
Slurry 1	9.5	2.52	6.38	
Slurry 2	13	1.44	6.5	Top of Mancos 5165

Casing Equipment: 4-1/2", 8R, ST&C

1 Float Shoe (autofill with minimal LCM in mud)
1 Float Collar (autofill with minimal LCM in mud)
1 Stop Ring
Centralizers, every 4th joint in mud drilled holes, none in air drilled holes.
1 Top Rubber Plug
1 Thread Lock Compound